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FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994
Item 6 (a) of the provisional agenda

INSTITUTIONAL MATTERS

DESIGNATION OF A PERMANENT SECRETARIAT AND ARRANGEMENTS FOR ITS FUNCTIONING

Report by the Executive Secretary

Addendum

CONSULTATIONS WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE UNITED NATIONS ENVIRONMENT PROGRAMME

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1. Extract from letter dated 7 April 1994 from the Executive Secretary to the Administrator of UNDP and the Executive Director of UNEP

I am writing to you regarding future institutional arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change, which has recently entered into force.

Article 8.3 of the Convention provides that "the Conference of the Parties, at its first session, shall designate a permanent secretariat and make arrangements for its functioning." The first session of the Conference of the Parties (COP 1) is scheduled to be held from 28 March to 7 April 1995.

The Intergovernmental Negotiating Committee for the Framework Convention on Climate Change took up this matter at its ninth session, held in Geneva from 7 to 18 February 1994, with a view to making recommendations thereon to COP 1. The Committee's deliberations were based on a note by the interim secretariat (A/AC.237/53), on which you were good enough to provide comments at the drafting stage. The Committee reviewed the institutional options outlined in that note and decided to examine them further at its tenth session (Geneva, 22 August to 2 September 1994). It requested additional information from the interim secretariat to support this examination. This new report is to focus on the possibility of negotiating an arrangement to place the permanent secretariat, at least initially, within a host organization. In this context, the interim secretariat is to explore possible arrangements with the United Nations Secretariat, the United Nations Environment Programme and the United Nations Development Programme, including relevant financial, administrative and staffing provisions.

I am pleased to enclose a copy of document A/AC.237/53 and an advance copy of the relevant section of the report of the Committee on its ninth session (A/AC.237/55, paras. 113-121).

I would be most grateful for the cooperation of [UNDP] [UNEP] in providing to this secretariat information that could be used to prepare the report to the tenth session of the Committee. While the range of issues that the report may address is set out in the enclosed documents, we have developed and are also enclosing a list of points to which you may wish to give particular consideration in replying to this letter. The list is not exhaustive and any views or suggestions you may have on other aspects of arrangements for the permanent secretariat of the Convention would be greatly appreciated.

We fully understand that definitive replies to some of the questions raised may need to be endorsed by the governing body of your organization and that your views at this stage may have to be considered as tentative. We hope, nevertheless, that you will find it possible to comment as fully as possible on the points raised.

.....

Attachment

INDIANA UNIVERSITY
OCT 27 1994
GOVERNMENT PUBLICATIONS

List of items to be considered for the report on arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change:

A. Substantive linkages (ref. A/AC.237/53, paras. 12-26)

1. Taking account of the preliminary discussion on document A/AC.237/53, please comment on the substantive linkages between the implementation of the Convention and the work programme of {UNDP} {UNEP}. Please identify the substantive benefits to be obtained by {UNDP} {UNEP} and the Conference of the Parties if {UNDP} {UNEP} were to host the secretariat of the Convention.

B. Organizational and administrative arrangements
(ref. A/AC.237/53, paras. 27-41 and para. 114 of INC IX report)

2. The Convention with its organs will constitute a new international entity, with its own legal personality and intergovernmental autonomy. If {UNDP} {UNEP} were to host the Convention secretariat, which organizational arrangements would in your view be the most appropriate in these circumstances? What form of agreement or understanding would need to be entered into between the COP and {UNDP} {UNEP}?

3. Would the autonomy of the COP or any other factor (for example, administrative effectiveness) tend to favour certain distinct organizational or administrative arrangements for the Convention secretariat? Examples of such arrangements could be:

a) A clearly identifiable status for the Convention secretariat within the organizational structure of {UNDP} {UNEP};

b) Financial procedures (for example, relating to assessments, receipt and administration of trust funds) which would be geared to the autonomous nature of the COP and its operating requirements.

c) Personnel procedures, including recruitment in general and appointment of senior staff, similarly geared to the characteristics of the COP;

4. The Parties to a Convention are normally responsible for meeting its operating costs in full. Nevertheless, it may be possible for the COP to negotiate an arrangement for sharing those costs between the host organization and the Parties to the Convention.

a) Would such a cost-sharing arrangement be feasible in principle for {UNDP} {UNEP}?

b) Which categories of costs (and shares thereof) could be absorbed by {UNDP} {UNEP} (eg., general administration, conference services, staff costs)?

5. Please describe relevant procedures in the practice of {UNDP}/{UNEP} with respect to the administrative and financial arrangements for hosting the secretariats of other conventions or legally different entities.

C. Physical location
(ref. A/AC.237/53, paras. 42-45, and paras. 115-121 of INC IX report)

6. Bearing in mind the deliberations of the INC/FCCC on the physical location of the Convention secretariat, which will be pursued in the light of its further review of possible institutional arrangements, please advise:

a) Would the location of the Convention secretariat affect the effective functioning of substantive and administrative linkages between the Convention secretariat and {UNDP} {UNEP}?

b) If so, which locations(s) would in your view be better conducive to such effectiveness?

2. Extract from letter dated 13 May 1994 from the Administrator of UNDP to the Executive Secretary

Thank you for your letter of 7 April 1994 requesting information for your report to the 10th session of the INC. I have been discussing the issue of the FCCC permanent Secretariat with my staff including the feasibility of a role for UNDP. We have generated some general views which I am very pleased to share with you at this point in time.

Before responding to your specific questions, let me restate our commitment to the goals of the FCCC which are embedded in the broader mandate of promoting sustainable human development. Irrespective of the administrative arrangements for the permanent Secretariat I am prepared to make the services of UNDP available to the FCCC and its bodies.

As I have also mentioned many times before, I am strongly committed to coordinated responses to initiatives such as the FCCC from the UN agencies. In the case of your permanent Secretariat at first glance, the idea of a collaborative arrangement between UNDP and UNEP is particularly appealing. With this in mind let me now respond to the more specific questions raised in your letter.

Substantive Linkages

As mentioned in my opening comment, the goals of the FCCC are an integral element of the broad development agenda and given our role in promoting development, UNDP constitutes an outstanding opportunity to help catalyse the implementation of the Convention. ....

Organizational and Administration Arrangements

As I am sure your are aware, UNDP has the flexibility and depth to support the permanent Secretariat in many different ways, including collaborative mechanisms where we would share the responsibilities with other entities. Formal agreements between the Conference of the Parties (COP) and UNDP would be a routine matter which I have direct authority to enter into on UNDP's behalf, provided such an agreement is within the broader rules and regulations of the organization. Such an agreement could be endorsed by UNDP's Executive Board which is already formally committed to help implement Agenda 21, including providing support to the FCCC.

I totally agree that the Secretariat would need a clearly identifiable status of its own and this would be a specific condition of any agreement entered into by UNDP and the COP. Financial procedures would be dependent on the source of funds, fiscal management requirements and conditions of disbursement. We could provide specific services through a simple contractual agreement or provide more comprehensive support through the Trust Fund mechanism.

If requested, UNDP's Division of Personnel (DOP) could be drawn on in support of the Secretariat. Whenever recruiting staff for a unit of UNDP, it is the policy of DOP to fully involve the unit in the selection process. DOP has introduced a number of innovations which increase its flexibility. For example we have new procedures for "Activities of Limited Duration" which facilitate contracting individuals for specified periods without tying the organization nor the person to longer-term commitments.

We would expect that the operating costs of the Secretariat would be funded by the Convention. Nevertheless I personally would encourage a substantive contribution from UNDP, perhaps in the form of staff secondments and/or coordination services, in particular by our Country Offices. Certain costs related to implementation of the Convention in developing countries could, in some instances, be borne by the GEF; the involvement of both UNDP and UNEP in the GEF would facilitate direct involvement of your secretariat in aspects of the GEF Work Programme.

It is perhaps somewhat premature to specify detailed administrative and financial arrangements at this stage. Suffice to say that in more than 40 years of service to the international community we have many precedents to draw on and, most importantly, we have the flexibility to tailor an agreement to meet the permanent Secretariat's specific needs.

Physical Location

We have no restrictions with regard to physical location.

.....

3. Letter dated 11 July 1994 from the Executive Director of UNEP to the Executive Secretary

Thank you very much for your letter dated 7 April 1994 regarding the host organization of the Climate Convention Secretariat. Your visit to Nairobi in early May was indeed helpful to both of us in furthering our mutual understanding and identification of important issues involved.

First of all, let me state that this is naturally a question for the Governments to decide, and should be examined so as to ensure maximum benefits for the implementation of the Convention. Nevertheless, it is my sincere hope that this letter could be some use for the INC/UNFCCC Secretariat in giving to the Governments at INC, the full picture of possible implications involved in the decisions on the host organization and the location of the Convention Secretariat.

I would, however, like to suggest some fundamental points of principle, which should be taken into account, while paying due attention to the specific needs of UNFCCC.

Firstly, the maximum synergy must be secured between the host organization's programme and activities of the Convention. In this sense, the actions to be taken to achieve the objectives of the Convention and the activities of the host organization should be mutually complementary, supportive and beneficial. I believe that this is the case for all the "UNEP-administered" conventions.

Secondly, while the host organization's activities should be supportive of the Convention, the organization should also be experienced in administration of the many activities necessary for achieving the objectives of the Convention. At the same time, the host organization should not be overloaded in terms of administration and resource availability to its own programmes.

Thirdly, the hosting of the Secretariat should ensure the maximum efficiency in the implementation of the Convention. The host organization's comparative strengths should be fully taken into account. In this regard, I cou'd summarize the strengths of UNEP, as follows:

a. Global and regional mandate for environmental coordination, established by UNGA resolutions and Agenda 21

Agenda 21, para 38.22 states, (among the priority areas on which UNEP should concentrate;) "(h) further development of international environmental law, in particular conventions and guidelines, promotion of its implementation, and coordinating functions arising from an increasing number of international legal agreements, inter alia, the functioning of the secretariats of the Conventions, taking into account the need for the most efficient use of resources, including possible co-location of secretariats established in the future;". With a view of pursuing this responsibility, I convened in March the first Coordination Meeting of the

Environmental Conventions' Secretariats, with the five Secretariats of the Conventions administered by UNEP. A number of Secretariats of the other Conventions, including the INC/UNFCCC Secretariat, participated therein. This meeting was not only a concrete step in the implementation of Agenda 21, but also identified a list of substantive potential benefits, which will accrue from enhanced coordination and close collaboration among Convention Secretariats. I would be pleased to provide the report of this meeting to INC, if you deem it helpful.

UNEP's mandate to facilitate the further development of international environmental law would also be of benefit to the Convention. For example, UNEP is presently undertaking a comparative study of effective implementation mechanisms on the basis of practical experience and information provided by the convention secretariats administered by UNEP with a view to enhance implementation mechanisms of international environmental law.

b. Accumulated experience in development and negotiation of environmental conventions, and substantive contribution to the implementation of conventions

Needless to say, all the recent international environmental conventions have emanated from the international recognition and awareness-building over emerging environmental problems, which were identified largely through the programme activities of UNEP, in particular through its mandated tasks of generation and dissemination of environmental information and data, including those on the state of the environment and broad environmental sciences. In the implementation phase also, UNEP's contribution has been instrumental, as regards (i) global environmental needs and complementarity between national and global actions; (ii) information exchange and technology transfer for developing countries and countries in transition; (iii) its technical assistance for capacity building in environmental law and other substantive environmental scientific programmes, in particular through UNEP's strengthened regional presence and activities, and UNEP's partnership with the other organizations, in particular UNDP and the World Bank in GEF and Montreal Protocol Fund.

As you are aware, environmental questions are global, complex and cross-sectoral in nature, and must be dealt with in a comprehensive and holistic manner. UNEP is well-placed to promote the implementation of the objectives of the Climate Change Convention, using a wealth of in-house resources and expertise in overall environmental assessment and management.

Fourthly, I would identify several specific contributions by UNEP to the activities of UNFCCC. The following current activities undertaken by UNEP will continue to provide substantive support to the implementation of UNFCCC.

a. Under UNEP's atmosphere sub-programme, activities are carried out which scientifically underpin the further development and the implementation of UNFCCC. This applies particularly to projects implemented under the WCIRP and UNEP's role as parent organization of the IPCC.

b. UNEP/WMO Information Unit on Climate Change (IUCC) has already established a close working relationship with the Interim Secretariat for UNFCCC in the field of public information.

c. In a joint project, CLIMEX, UNEP and the Interim Secretariat for UNFCCC are developing an information exchange system on climate-related country activities, availability of funds and expertise. UNEP is providing financial resources, staff time and information available to, and collected by UNEP.

d. UNEP also provides direct support to the UNFCCC through its involvement in the development of methods, which can be used by the Parties in preparing their national communication of information related to the implementation of the Convention. In a GEF-financed country study programme, UNEP is testing the IPCC/OECD methodology for inventories of sources and sinks of greenhouse gases. Other country case study programmes submitted to GEF for financing are designed to test and further develop methods for assessing impacts and adaptation under climate change, and to develop least cost emission reduction strategies.

e. The most recent area of cooperation as discussed between the Interim Secretariat for the UNFCCC and the Climate Unit is the establishment and operation of regional and national Networks to assist countries in identifying and implementing strategies to adapt to, or mitigate climate change. The Networks would be operated within the framework of a global capacity building programme currently being developed by the Interim Secretariat and UNDP in cooperation with UNEP and UNITAR.

Fifthly, I would refer to the potential benefits, which might result if UNEP assumes the responsibility of hosting the UNFCCC Secretariat. They include:

a. Economization through co-location of Secretariats

Pending the decision by the Conference of the Parties to UNFCCC, there would be an obvious economization of, in particular the administration costs - overhead and direct cost through common procurement unit, personnel, security, telephone communication, electronic data processing, conference facility, etc. - by the eventual co-location of convention Secretariats.

b. Harmonized actions, interpretation, approaches, conceptualization and procedures, and sharing of information and experiences, with the five "UNEP-administered conventions".

I have already referred to the outcome of the first Coordination Meeting of the Environmental Conventions' Secretariats held in March, with the five Secretariats of the global Conventions administered by UNEP. In addition, UNEP successfully administers ten regional seas conventions. If UNEP is to host the Secretariat of UNFCCC, I would expect a larger benefit, both from and to the family of environmental conventions, which would enhance the overall contribution from these conventions to the implementation of Agenda 21.

Sixthly, I would like to address the question of co-hosting. As you are aware, Mr. Gus Speth and myself agreed and issued a joint statement of UNEP and UNDP in the recent CSD meeting. Let me quote the relevant section, in which the commitment of the two organizations was expressly stated. I am indeed willing to consider the detailed collaborative modalities between the two organizations, which might encompass the possibility of co-hosting UNFCCC Secretariat, which embodies the concept of horizontal demarcation of supporting responsibilities.

" **Support for the Rio and Post-Rio Conventions**

The conventions signed at Rio are now coming into force and the negotiations on the convention on desertification initiated at the Summit are proceeding well. We have agreed that our two organizations will cooperate fully in providing support to the climate change and the eventual desertification conventions".

As far as a number of specific questions raised in your letter and its attachment, let me undertake to respond to several major ones. Obviously, the other questions must await the decisions of the INC/UNFCCC and our further detailed discussions.

As regards the organizational arrangements between COP and UNEP, UNEP would need to obtain a relevant mandate from its governing body, the Governing Council of UNEP. The Governing Council could endorse, on a post-facto basis, the decision of the Executive Director to accept the request of COP for the provision of the function of the Secretariat. This normally presumes, unless otherwise decided upon by the Council, that the activities under the Convention, as mandated by COP, would be financed by the Parties and thus would not have any express implications on the use of the Environment Fund, with which the activities of UNEP are financed in accordance with the Fund allocations approved by the Council.

As regards the administrative procedures, regulations and practices, including those on recruitment of staff members of the Secretariat, the UN rules, regulations and practices shall apply. In case that a separate trust fund is created to finance the

activities under the Convention, the General Procedures Governing the Operations of the Fund of the United Nations Environment Programme, which has been approved by the Governing Council, also applies *mutatis mutandis* to the trust fund.

Let me conclude this letter by stating that UNEP has been supporting its Convention Secretariats, within its available resources, both in terms of substance - through relevant research and provision of information and advice on priorities of issues, and in terms of administrative support. This policy will continue, while ensuring the Secretariats' ability to act in line with the policies given by the Parties, without undue bureaucratic hassles and inflexible procedures.

4. Joint Statement by James Gustave Speth, Administrator, United Nations Development Programme and Elizabeth Dowdeswell, Executive Director, United Nations Environment Programme
(Circulated during the second session of the Commission on Sustainable Development)

Almost two years after the achievements of UNCED, we are faced with a situation where little progress has been achieved in the implementation of the post-Rio agenda. Despite the commitments agreed to in Rio, the donor community has been unwilling to make new and additional resources available to fulfil their part of the Rio compact. And resources being made available to the United Nations system for its sustainable development activities have declined as they are increasingly diverted to address the emergency needs and humanitarian crises that confront us. In short, the international system is forced to react in the short term to crisis situations while too little attention is paid to the problems of poverty and resource degradation which the Rio summit was designed to address.

In response to the challenge posed, we hereby propose that our two organizations work even more closely together by combining our relative strengths in support of Agenda 21.

Agenda 21 recognized the vital roles that both organizations have to play in the follow-up to Rio. It reaffirmed these roles and it called upon governments to strengthen them. UNEP retains primary responsibility within the UN system for policy guidance and coordination in environmental matters. UNEP's role is largely catalytic and policy-oriented. It is the repository for environmental expertise in the UN system. It is not, and is not mandated to be, an implementing agency. Its newly strengthened regional offices are its prime contacts with the field.

On the other hand, one of UNDP's main strengths is its operational capacity, with over 130 country offices helping governments to implement sustainable human development at the national level. These offices are now being strengthened by the addition of 41 specially trained environment and sustainable development officers. These officers add to the existing focal points, national programme officers and other posts which many country offices have created in an effort to strengthen capacities in these areas. UNDP's country operations are complemented by a series of headquarters-based programmes in support of sustainable human development.

We believe that sustainable development requires a combination of these strengths. It implies the integration of environmental concerns into all aspects of economic and social decision-making. It requires strong programmes to maintain and restore the earth's natural capital of soils, water and air. It requires initiatives which increase the efficiency of raw material and energy use in the world's economies. It requires measures to alleviate poverty in the developing world and to change consumption patterns in the North. It requires new measurements of material and human well being.

This new agenda requires a much closer working relationship between UNDP and UNEP, particularly in three areas: the development of national frameworks for sustainable development, assistance to governments in the servicing and implementation of the Rio and post-Rio conventions, and mobilizing UNEP's country-based strengths for the dissemination of environmental information.

New National Frameworks for Sustainable Development

Nowhere is this need for joint action more apparent than at the level of national planning. Requirements set by donors and international agreements for National Conservation Strategies, Agenda 21 implementation plans, biodiversity, desertification and forestry action plans and NEAPs are stretching the human resources of many countries to the limit and jeopardizing the Rio follow-up at the country level as a result of this fragmented sectoral approach. Furthermore, these plans and strategies are often prepared in isolation from national economic plans and structural adjustment agreements, making the integration of environment and economics extremely difficult.

We are committed to helping countries to develop their plans within coherent national frameworks for sustainable development and we invite the World Bank and IUCN to join with us in developing this approach.

The Country Strategy Note could provide one opportunity for a rational planning and strategy framework for the activities of the UN system at the national level which could be harnessed to the requirements of sustainable development.

Support for the Rio and Post-Rio Conventions

The conventions signed at Rio are now coming into force and the negotiations on the convention on desertification initiated at the Summit are proceeding well. We have agreed that our two organizations will cooperate fully in providing support to the climate change and the eventual desertification conventions.

As Mr. Speth stated in his speech to the third INC-D session: "Our two organizations are currently closely studying how the UNDP/UNEP/Joint Venture (UNSO) could be reconfigured to take into account, and respond effectively to, the new dynamics of desertification that will emerge from the current INC-D process. This, if I may add, is in line with the special mandate assigned to UNDP and UNEP by chapter 38 of Agenda 21."

Making Environmental Information More Accessible

Since its creation, UNEP has devoted considerable resources and developed considerable expertise in monitoring and data collection through GRID, GEMS and the system-wide Earthwatch and other specific programme areas. On the other hand, UNDP is developing its

Sustainable Development Network and deploying resources for capacity building to facilitate the effective dissemination of information on sustainable development. The complementary roles of the organizations present an excellent opportunity for collaboration.

We must now make this information more accessible to decision-makers at the national and local levels. UNEP has initiated consultations with information users. We have also begun a series of pilot studies designed to make UNEP's information bases more accessible to network members through UNDP country offices. If these pilots are successful, they can be extended to the rest of the UNDP system.

None of this will work without follow-up mechanisms within both organizations. Each of us has designated a focal point who will be held accountable for the success of these cooperative ventures. And we will create opportunities for our staffs to work more closely together through possible staff exchanges, the briefing of UNDP's new environment and sustainable development officers by UNEP and their possible participation in the UNEP Environmental Management Seminars.

We begin modestly, conscious of the failure of many ambitious schemes for interagency cooperation in the past. But our ambitions are not modest. Eventually, we hope for joint programmes in support of sustainable development in a wide range of areas from trade and environment to environmental economics, energy and forestry.

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